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1 FENNEMORE CRAIG, P.C. 2007 JAN -3 P 4: 35 Jay L. Shapiro Patrick J. Black 2 AZ CORP COMMISSION 3003 N. Central Ave. DOCUMENT CONTROL **Suite 2600** 3 Phoenix, Arizona 85012 4 Attorneys for Black Mountain Sewer Corporation 5

BEFORE THE ARIZONA CORPORATION COMMISSION

7 IN THE MATTER OF THE APPLICATION OF BLACK **MOUNTAIN SEWER** 8 CORPORATION, AN ARIZONA CORPORATION, FOR A 9 DETERMINATION OF THE FAIR VALUE OF ITS UTILITY PLANT 10 AND PROPERTY AND FOR **INCREASES IN ITS RATES AND** 11 CHARGES FOR UTILITY SERVICE

BASED THEREON.

DOCKET NO: SW-02361A-05-0657

NOTICE OF COMPLIANCE WITH DECISION NO. 69164

Pursuant to Decision No. 69164 (December 5, 2006), Black Mountain Sewer Corporation, an Arizona corporation, hereby files the attached Memorandum (see Exhibit 1), dated December 29, 2006, which details the status of the CIE Lift Station project and provides a timeline for completion of the project.

 $\mathbf{B}\mathbf{y}$

DATED this 3rd day of January, 2007.

FENNEMORE CRAIG, P.C.

Patrick J. Black

Suite 2600

3003 North Central Avenue

Attorneys for Black Mountain

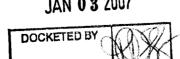
Phoenix, Arizona 85012

Sewer Corporation

DOCKETED BY

Arizona Corporation Commission DOCKETED

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FENNEMORE CRAIG PROFESSIONAL CORPORATION
PHOENIX

| 1 2 | ORIGINAL and thirteen (13) copies of the foregoing were delivered this 3rd day of January, 2007 to: |
|-----|---|
| 3 | Docket Control |
| 4 | Arizona Corporation Commission 1200 W. Washington St. |
| 5 | Phoenix, AZ 85007 |
| 6 | COPIES hand delivered this <u>3rd</u> day of January, 2007 to: |
| 7 | Keith Layton |
| 8 | Staff Counsel Legal Division |
| 9 | Arizona Corporation Commission 1200 W. Washington St. Phoenix, AZ 85007 |
| 10 | Daniel Pozefsky, Esq. |
| 11 | Residential Utility Consumer Office 1110 W. Washington, Suite 220 |
| ۱2 | Phoenix, AZ 85007 |
| 13 | Brian Bozzo |
| ۱4 | Utilities Division Arizona Corporation Commission |
| 15 | 1200 W. Washington St. Phoenix, AZ 85007 |
| 16 | And COPIES mailed this 3rd day of January, 2007 to: |
| ١7 | |
| 18 | Boulders Homeowners Association Mr. Robert E. Williams |
| 19 | P. O. Box 2037 Carefree, AZ 85377 |
| 20 | M. M. Shirtzinger |
| 21 | 34773 N. Indian Camp Trail Scottsdale, AZ 85262 |
| 22 | Thomas K. Chenal, Esq. |
| 23 | David Garbarino, Esq. Mohr, Hackett, Pederson, Blakley & Randolph |
| 24 | 7047 E. Greenway Parkway, Suite 155 Scottsdale, AZ 85254 |
| 25 | By: Mana San Jose |
| | |

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PROFESSIONAL CORPORATION
PHOENIX

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EXHIBIT 1



MEMORANDUM

TO:

TOM NICHOLS, ALGONQUIN WATER SERVICES

FROM:

DEBRA MCGREW, MES

COPY:

FILE

SUBJECT:

CIE ABANDONMENT AND COMMERCIAL LIFT STATION MODIFICATIONS

PROJECT STATUS

DATE:

12/29/2006

The project status:

CIE Lift Station

- 1. MES has prepared the abandonment plan for the CIE. Developed details for a new manhole to route sewage into the new sewer to be constructed within the Tranquil Trails Unit 1.
- 2. Algonquin and MES have contacted the developer for Tranquil Trails Unit 1, Classic Stellar Homes and have discussed the easement requirements and alignment. Classic Stellar and MES are in the process of working out a legal description for an easement for the new sewer which is required before the CIE lift station may be abandoned. It's important to note that removal of the CIE is contingent upon Tranquil Trails Unit 1 receiving an Approval of Construction permit from Maricopa County Environmental Services Dept (MCESD). The new sewer system must be complete and streets paved before approval is granted.
- 3. MES's subconsultant PEC completed the field survey for designing the new connecting sewer. The survey data will be sent to MES next week.
- 4. MES and Algonquin's CM at Risk contractor, Chip Norton of DL Norton conducted a field visit to develop the scope of the field work required to complete the design.

Work to complete

- 5. First week of January 2007: DL Norton will excavate and expose the locations of the force mains from Commercial LS and the CIE force main within Carefree Drive.
- 6. Mid-January: Once the locations and depths are known then MES will complete the tie in details for the force mains.
- 7. Mid-January: MES will prepare the control for DL Norton to install the new sewer from the CIE to the Tranquil Trails sewer, so the CIE can be removed. Construction will be coordinated with Classic Stellar Homes. Construction is expected to start at the end of January and require approximately two weeks.



Commercial Lift Station

- 1. MES has prepared the bypass pumping plan required to replace the existing wastewater pumps.
- 2. DL Norton will have a crew out the first week of January to measure the piping within the Commercial LS dry well for MES. The drawings provided by Black Mountain's engineer of record were not as-builts. So DL Norton will as-built the interior of the lift station drywell so MES may finish the drawings for replacing the pumps.
- 3. The design criteria for the replacement pumps were determined; so far two pump manufacturers have pumps that will meet the design criteria.
- 4. The technical specifications for the civil and mechanical work are complete. The electrical specifications are being developed by the project electrical engineer.
- 5. The electrical engineer is also working on the electrical upgrades required for installing the new pumps.
- 6. Odor control additive MES is working with Bio COPE to test their ERI wastewater co-factor additive for controlling odors. A 275-gallon tote with chemical feed tote will be installed at the Commercial lift station on Wednesday, January 3, 2007. This will provide approximately two months perhaps more of the additive. The additive changes the chemistry of the water to provide the environment required for aerobic bacteria. When aerobic bacteria are present in large quantities odors significantly diminish. ERI also permits the environment required for the bacteria to dissolve fats, oils and grease. Other additives are being considered for testing.

Work to Complete

- 7. DL Norton will obtain price quotes and delivery schedules from both pump manufacturers. Delivery schedule will be a critical factor in the selection process.
- 8. The electrical engineer's drawings and specifications will be incorporated into the Contract Documents.
- 9. Sealed drawings will be submitted to MCESD for an expedited Approval to Construct permit.
- 10. Construction is expected to be completed approximately two weeks after delivery of pumps.